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ON PAGE 35

WALL STREET JOURNAL
26 September 1984

Court Records on Africa Oil-Pipeline Plan Illustrate Washington's Connections Game

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WASHINGTON—Success here often depends on whom you know. For a lawyer involved with a controversial plan to build an oil pipeline in Africa, success meant dropping the name of Central Intelligence Director William J. Casey.

Beginning in 1981, Joseph H. Rosenbaum, an acquaintance of Mr. Casey, and Basil A. Tsakos, a Greek financier, lobbied Washington officials for support of Mr. Tsakos's plan to build a 2,700-mile pipeline from the Red Sea to the Atlantic Ocean. According to people familiar with the project, Mr. Rosenbaum used Mr. Casey's name to obtain money from Mr. Tsakos and to promote the project at the Defense Department. Last year, however, the pair had a falling-out and Mr. Tsakos sued Mr. Rosenbaum.

Court records from the suit show how a person with contacts in Washington can win lucrative lobbying assignments and obtain behind-the-scenes help from government officials for a project that, as yet, has no official backing. Mr. Rosenbaum and Mr. Tsakos eventually gained the support of several prominent Republicans and former government officials. Mr. Casey and the Pentagon say they didn't endorse the project.

The records show no illegalities, but the pipeline plan has sparked an investigation: Mr. Tsakos paid Sen. Mark Hatfield's wife, Antoinette, \$55,000 while the Oregon Republican was promoting the pipeline with U.S. officials. Mr. Hatfield says the payments were for his wife's real estate work, but he is now being investigated by the Justice Department. The staff of the Senate Committee on Ethics has recommended that the panel drop its investigation.

Meeting in 1981

In a deposition filed in federal court in Alexandria, Va., Mr. Rosenbaum says that Mr. Casey vouched for him during a 1981 meeting with Mr. Tsakos, saying that Mr. Tsakos should "just do what Joe tells you." Mr. Casey and Mr. Rosenbaum, 74 years old, have known each other since they served in the Office of Strategic Services, the World War II intelligence agency.

Mr. Tsakos says in a deposition filed in Alexandria that he joined up with Mr. Rosenbaum because he was "looking for someone in the U.S. who had contacts with the U.S. government," and that Mr. Rosenbaum had bragged about his connections. He says he paid Mr. Rosenbaum \$247,000 to promote

the multibillion-dollar project. Mr. Tsakos wanted U.S. help in getting transit rights for the pipeline in the Sudan, the Central African Republic and Cameroon.

Mr. Tsakos, paid Mr. Rosenbaum \$100,000 around the time of the February 1981 meeting with Mr. Casey, according to two former, close associates of Mr. Tsakos. "Tsakos was impressed with Casey," says one. "From then on, Tsakos entrusted Rosenbaum for influence and help he needed for the project." The former associates say that Mr. Rosenbaum suggested to Mr. Tsakos that Mr. Casey or the CIA had invested, or intended to invest, in the project.

Mr. Rosenbaum declines to be interviewed. His attorneys, William Hundley and Larry Gondelman, say that Mr. Rosenbaum denies using Mr. Casey's name to obtain money from Mr. Tsakos and that he didn't suggest that Mr. Casey or the CIA had a financial stake in the project. Mr. Tsakos also declines to be interviewed. But his attorney, William Casselman, says his client has obtained the transit rights in Africa and still hopes to build the pipeline.

Mr. Casey says in an interview that he met twice with Mr. Rosenbaum but that he never endorsed the pipeline or vouched for Mr. Rosenbaum. He says he met with Mr. Rosenbaum and other promoters because of the possible strategic importance of such a pipeline but doesn't recall meeting Mr. Tsakos.

The CIA director says it appears that Mr. Rosenbaum "was using my name" to promote himself and the pipeline. He says that it is "totally unwarranted and totally false" to suggest that he or the CIA have a financial stake in the pipeline.

Mr. Casey says he probably has talked to

Mr. Rosenbaum only about six times in the past four decades. He describes their relationship as "cordial," but "very remote."

Nonetheless, Mr. Casey, formerly a lawyer in private practice, says he did refer a former client to Mr. Rosenbaum after the man expressed interest in the project. The ex-client, Albert E. Jolis, a former intelligence officer in the Office of Strategic Services, invested \$25,000 in a pipeline company set up by Mr. Rosenbaum, but later got his money back.

Mr. Casey says he also gave Mr. Rosenbaum the names of several people, including another former client, John M. Shaheen, when Mr. Rosenbaum came to his office seeking help. Mr. Shaheen, a New York oil entrepreneur and a former intelligence officer in the Office of Strategic Services, says that his aides studied the pipeline proposal and decided it was "a lousy project." He adds that Mr. Rosenbaum never mentioned Mr. Casey to him.

Name Dropping

But Mr. Rosenbaum was dropping Mr. Casey's name at the Defense Department. Noel Koch, a deputy assistant secretary of defense, says Mr. Rosenbaum approached the department for help and "indicated that he was an old friend of Bill Casey's." The Pentagon then called the CIA. Mr. Koch says, and was told by Mr. Casey that he hadn't endorsed the project.

Nonetheless, Defense Department officials assisted Mr. Rosenbaum and Mr. Tsakos because of the project's "profound strategic implications," says James Woods, director of the African division of international security affairs at the Pentagon. Mr. Woods says he met regularly with Mr. Rosenbaum and other supporters of the project. Mr. Woods says he introduced Mr. Rosenbaum and retired Army Lt. Gen. George M. Seignious II, who was also promoting the pipeline, to the Sudanese ambassador and discussed the project with the White House and the State Department.

Although the pipeline's backers repeatedly sought the Pentagon's approval, Mr. Woods says, "we never gave an endorsement."

Mr. Rosenbaum and Mr. Tsakos eventually won the support of several prominent Republicans and former government officials, according to court records filed in Virginia. They included Mr. Seignious, former director of the Arms Control and Dis-